Long Term Removals

Long term removals have administrative characteristics that require special treatment. If an IAG is involved, it should be unique to that case so that the case will not prevent the orderly closeout of an annual blanket IAG in a reasonable period of time. Lost or forgotten removals, especially when facilities are installed for removal, can generate unacceptable amounts of work when they are brought to the attention of the NPFC again, even if they do not involve very high levels of funding. If high levels of funding are involved, the financial surprise could be a serious problem.

Defined by Time & Money Thresholds, and Installed Facilities

These rules apply to any case that qualifies under one of the following criteria:

1) The OSC estimates that $100,000 or more will be spent after the first anniversary of the opening of the removal (issuance of the FPN);

2) The OSC estimates that the removal will continue past the second anniversary of the FPN, i.e., into the third year of removal;

3) Any case that involves an improvement to real property.

Initial Requirements

FINANCIAL PLAN

The OSC will submit a life cycle removal plan to NPFC containing all resource considerations relating to the removal project from its inception to completion, including disposal of all real and personal property procured for the removal. If improvements to real property are involved, the plan shall contain, at a minimum, a description of the removal system including components and system operation, initial setup costs, annual recurring costs, annual non-recurring costs, termination costs and other costs. The removal plan will list these cost categories by federal fiscal year.

SEPARATE IAG

If the removal funds are provided by the NPFC under an IAG, a long term removal can not be charged to a blanket IAG. The OSC must immediately notify NPFC so that the removal can be funded under a separate IAG. The initial amount provided in an IAG will normally be the amount needed for the first 12 months.

REAL PROPERTY -- ADVANCE PLANNING FOR DISPOSAL

If improvements, long term facilities, are constructed on real property, the OSC must document the improvements to support cost recovery and potential litigation and to facilitate disposal upon closure. The OSC must be prepared to defend the selection of removal technology chosen. This is not financial information per se, and need only be documented to the extent needed to assure that the current OSC or successors can successfully defend the government's interests in the event of litigation. When the time for disposal arrives, records should be available to show purchase costs, accurate descriptions of structures and installed equipment, understandings or arrangements made in advance with any other parties, title holder to the property involved at the time the improvements were installed, and any other information needed to dispose of the type of improvement involved.

Subsequent Requirements

ANNUAL ADMINISTRATIVE CYCLE

At every twelve month anniversary of the removal project, the removal plan shall be reviewed and updated to show all actual costs to date and current best estimates of future costs, as well as changes in the nature of the spill or the technology being employed. This will include a separate summary of cost data since the last report. Based on this information, the OSC should request additional ceiling in the amount needed for the next 12 months and initiate an amendment to the IAG. The OSC should also prepare an interim financial summary and submit a billing package at this time.

REAL PROPERTY

When improvements to real property are involved, there are two choices regarding disposal and closure. One option is demolition with disposal of the refuse via a DRMO. The other option is to list the improvements (empty structure) and the land, if included, on an SF-120 with a cover letter to the NPFC Case Officer for disposal through GSA. The cover letter can recommend transfer of the building to a state or local government. Generally no one in the federal government will be interested in such sites and the building can be transferred in about 30 days. The only possible glitch may be the ownership of the land. These situations will be evaluated on a case by case basis. The removable property (machinery and equipment), can be treated in accordance with the NPFC personal property policy. Another option is to include that property along with the building on the SF-120. Note, however, that this would slow the disposal process as GSA would have to start by making the personal property available to the rest of the federal government.

NPFC Personal Property Policy

RECOMMENDED OPTION: use the NPFC personal property policy for disposal through a DRMO, and list the improvements, and real estate if any, on an SF-120 for disposal through GSA.

The NPFC's policy for acquisition and disposal of personal property is in Chapter 7 of the NPFC <u>Technical Operating Procedures for RESOURCE DOCUMENTATION</u> (included in Chapter 3 of this manual).